



NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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Press Release 03-35
June 23, 2003
For immediate release

Value engineering awards presented to DFAS teams

The Defense Finance and Accounting Service was presented three Defense Value Engineering Achievement Awards by Dr. Glenn F. Lamartin, defense systems director for the office of the Undersecretary of Defense for Acquisition, Technology and Logistics during a June 18 ceremony at the Pentagon.

Sally Smith, director of the commercial pay business line, accepted the award on behalf of the commercial pay services team. The award was provided to the outstanding team because they have reduced the cost of vendor pay by 19 percent, or \$25 million. They plan to continue reducing costs by approximately 5 percent over the next five years. In addition, in partnership with the military services and defense agencies, vendor pay reduced the FY 2002 interest penalty payments by \$2.5 million, compared to fiscal year 2001. The team is working to reduce interest paid on vendor payments by \$10 million, 40 percent of the 2001 baseline.

myPay (<https://mypay.dfas.mil>) was also recognized during the ceremony for providing customers with control over their payroll information. Over 1.9 million customers have made changes to their payroll information, which is available practically 7 days a week, 24 hours a day. Jim Pitt, deputy director, Electronic Commerce, Military & Civilian Pay Services, accepted the award on behalf of the myPay team.

The Defense Cash Accountability System team received a special award. The Defense Cash Accountability System reengineered disbursing and accounting systems to enable the electronic transmission of payment data and supporting information to accounting offices, reducing in-transit times and information handling problems. For example, through September 2002, the in-transit time was reduced from 150 days to 17 days and the in-transit dollar amount was reduced by 89 percent. The Defense Cash Accountability System meets the Department of Defense Comptroller's new standard for systems and implements the DoD Financial Management Regulation strategy by providing direct communication between offices, as well as minimizing in-transit resolution and processing time. Raymond Bombac, Sharon Sasser and James Davila accepted the award.

Value engineering is a process used to analyze functions to identify ways to reduce cost of systems, equipment, facilities, services or supplies. The goal is to reduce the total cost of ownership while retaining required system performance and quality, according to officials.

During fiscal year 2002, more than 3,250 in-house proposals and contractor-initiated change proposals were accepted with projected savings of more than \$2.5 billion, officials said.

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About DFAS

The Defense Finance and Accounting Service is the world's largest finance and accounting operation. In fiscal 2002, DFAS paid 5.7 million people, processed more than 11.2 million contractor invoices, made 7.3 million travel payments and disbursed more than \$346.6 billion while reducing overall costs to customers by \$144 million. For more about the Defense Finance and Accounting Service, please visit <http://www.dfas.mil>.

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